

The Local Government Perspective

***New York Cap-and-Invest
Use of Proceeds Framework***

Comments submitted by the

**New York State Association of Counties
New York Conference of Mayors
Association of Towns**



NYSAC
— NEW YORK STATE —
ASSOCIATION OF COUNTIES



to the

**New York State Department of Environmental
Conservation & New York State Energy Research and
Development Authority**

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Introduction

On behalf of the New York State Association of Counties (NYSAC), the New York Conference of Mayors (NYCOM), and the Association of Towns (AOT), thank you for the opportunity to comment on the New York Cap-and-Invest (NYCI) program, with a particular focus on the equitable and effective use of proceeds from the Climate Investment Account. Our feedback reflects the collective priorities and concerns of local governments and builds upon our members' extensive experience managing local climate initiatives. As counties and municipalities are at the forefront of climate adaptation and mitigation, we urge New York State to ensure that the investment framework incorporates local needs and enhances coordination with local governments.

Feedback on the Proposed NYCI Investment Framework (Q1)

We commend NYSERDA and NYSDEC for creating an investment framework that addresses a wide breadth of issues, including climate justice, energy affordability, and workforce development. The comments that follow recommend enhancements to ensure the framework achieves its stated goals.

Enhanced Local Government Engagement

Local governments are critical partners in implementing state policies and are uniquely positioned to support the priorities outlined in the proposed NYCI investment framework. Counties and municipalities play a crucial role in each component of the framework:

- **Reducing greenhouse gas emissions/co-pollutants and sequestering carbon:** Counties and municipalities lead local initiatives to reduce emissions, including electrifying buildings, deploying renewable energy, and making transportation systems more sustainable. Municipalities support carbon sequestration through tree planting and open space preservation programs. Local health departments work to reduce the impact of pollutants on community health and respond to pollution-related emergencies.
- **Catalyzing private investment in decarbonization:** By partnering with private developers and businesses, local governments leverage public dollars to attract private investments in renewable energy projects, green infrastructure, and clean technology deployments. Counties and municipalities also offer incentives and support to businesses that adopt energy-efficient practices.
- **Driving innovation:** Local governments pilot innovative programs and technologies that drive climate progress. Examples include Niagara County's nation-leading extended producer responsibility (EPR) law for solar panels and Ulster County Climate Corps, which engages students and community members in advancing climate initiatives across county departments. Local governments are testing grounds for innovation – brainstorming, refining, and scaling solutions that can be adopted statewide. Counties and municipalities also collaborate with state agencies, non-profits, and private sector partners to tailor state and regional initiatives to community needs, ensuring their long-term viability and effectiveness.
- **Supporting policy-relevant research and program evaluation:** Local governments partner with academic institutions and non-profits to conduct

research on the effectiveness of local climate initiatives. They also create community greenhouse gas inventories, track the performance of emissions-reducing projects, and provide essential data for state-level program evaluations.

- **Advancing equity and climate justice:** Local governments directly engage with vulnerable populations and are on the frontlines of addressing inequities in Disadvantaged Communities (DACs). They work to improve air quality, enhance health outcomes, increase economic opportunity, and deliver climate benefits to underserved areas. Localities also partner with community organizations to engage residents in climate planning processes, ensuring that vulnerable populations have a voice in shaping climate solutions that directly impact their communities.
- **Advancing energy affordability and reducing transition costs:** As the closest level of government to residents and businesses, local governments are attuned to New Yorkers' energy burdens and concerns about the transition to clean energy. Counties and municipalities help to reduce upfront transition costs by facilitating community solar projects and supporting clean energy adoption. Local governments also provide a safety net for vulnerable populations by administering programs such as the Home Energy Assistance Program (HEAP) and Weatherization Assistance Program (WAP), ensuring that those most in need can access energy efficiency upgrades and financial relief.
- **Supporting job creation and economic development:** Local governments and economic development agencies are key drivers of economic growth, creating family-sustaining jobs through public investments and business attraction and retention efforts. Counties and municipalities collaborate with academic institutions, including community colleges, and workforce development boards to train workers for jobs in emerging green industries, ensuring a skilled workforce for the clean energy economy. They also play a crucial role in facilitating a just transition for workers displaced by the shift away from fossil fuels, providing retraining opportunities and support services.

With this experience and deep understanding of community needs and challenges, local governments can provide invaluable insights to ensure successful strategic planning and project execution. We recommend that NYSERDA and NYSDEC conduct roundtables, stakeholder engagement forums, and community visits to continually engage local governments on NYCI investments and related climate policies. This collaboration will ensure that local perspectives are fully integrated into investment decisions and that the benefits of NYCI are maximized for all communities.

Building Local Capacity for Climate Action

Cap-and-Invest proceeds should be strategically used to build the capacity of local governments to take meaningful climate action. This includes expanding existing programs like Climate Smart Communities (CSC) and Clean Energy Communities (CEC). Additional funding would support more grant awards to localities, especially those with fewer resources, and enhance the availability of technical assistance for municipalities to develop and implement climate projects. Local governments need access to more targeted assistance for energy efficiency projects, clean transportation

initiatives, and community-scale renewable energy efforts to support the Climate Act goals.

We also recommend investing in regional clean energy hubs that function under a hub-and-spoke model with state-funded sustainability coordinators in every county. Building on NYSERDA's Regional Clean Energy Hubs Program, these coordinators could play a critical role in disseminating information, sharing resources, and coordinating local clean energy initiatives. They can serve as vital connectors between state agencies and local governments, ensuring that communities have the tools and support needed to meet the state's ambitious climate goals. This additional assistance is necessary for localities to navigate regulatory hurdles, implement high-impact actions, and drive progress in a way that reflects state and local priorities.

Equitable Focus on Rural Communities and Farmland Protection

We support the prioritization of DACs and urge that the framework also prioritize rural and economically distressed areas that face significant barriers to transitioning to a clean energy economy. Only 15% of rural census tracts are DACs, compared to 26% of suburban tracts and 47% of urban tracts. A broader definition of eligibility will help ensure an equitable distribution of resources.

We also strongly advocate for incentives that encourage renewable energy projects on non-agricultural land, such as rooftops, parking lots, and brownfields, rather than farmland. Farmland is vital to New York State's economy and food security. Development pressures from renewable energy projects could harm long-term agricultural viability. We recommend investing in alternatives, such as agrivoltaic projects, that allow for agricultural production alongside solar energy generation.

Recommendations Related to the Proposed Investment Areas (Q2)

Our associations represent diverse memberships and, therefore, cannot expressly rank the proposed investment areas; however, we offer the following thoughts on each sector outlined in the NYCI presentation to help guide the use of proceeds from the Climate Investment Account. We urge that these considerations be incorporated into the final framework.

Clean Transportation, Transit, and Mobility

Transportation electrification is a critical element of the state's decarbonization goals. We support using NYCI to invest in municipal fleet electrification. Converting municipal fleets when practicable will not only reduce emissions from the transportation sector but also demonstrate the benefits and feasibility of electrification to increase public awareness and support for climate initiatives. Substantial investments in public transit enhancements and expansion are also necessary, particularly in underserved and rural areas.

Additionally, we support investment in electric vehicle (EV) charging infrastructure, including fast chargers in suburban and rural areas where range anxiety is a concern.

Ensuring the availability of cold-weather-ready EV infrastructure and mechanics trained to service EVs will be crucial to a successful transition.

We also emphasize the need for investments in active transportation infrastructure, such as bike lanes, pedestrian paths, and micro-transit options, which can further reduce reliance on personal vehicles. Active transportation has the added benefit of improving public safety and enhancing quality of life for residents. State agencies should actively promote these and other co-benefits to create buy-in for the measures necessary to achieve the Climate Act goals.

Electric Grid Modernization

A reliable, resilient electric grid is crucial to protect the health and safety of all New Yorkers. We recommend targeted investments in grid modernization, energy storage, and flexible, dispatchable technologies to maintain grid reliability during periods of high demand and extreme weather.

Incremental upgrades to the distribution system will be necessary to ensure communities can accommodate increased clean energy generation and demand. Cap-and-Invest proceeds should be strategically allocated to support distribution system upgrades and other grid enhancements in areas local governments identify as priorities for clean energy development and community growth. To maximize the effectiveness of public and private investments, utilities should be required to actively engage with local governments during the planning and execution of upgrades. NYCIE can help support this collaboration by funding local planning efforts, technical assistance, and the creation of resources like Scenic Hudson's renewable energy mapping tool, which identifies optimal locations for renewable energy projects. These resources will enable localities and utilities to make informed decisions that align grid investments with local zoning, planning priorities, and community development goals.

Additionally, NYCIE should support the development and implementation of innovative solutions to New Yorkers' energy concerns. We see this type of innovation happening in Vermont, where home energy storage programs have reduced grid demand, enhanced resilience, and provided cost savings for all customers. Implementing a similar program in New York would accelerate the integration of clean energy while alleviating pressure on the grid.

Finally, we recommend allocating funds toward a comprehensive study to assess the financial impact of state climate policies on utility costs, with the aim of identifying strategies to reduce the burden on consumers and ensuring that these policies are implemented in an equitable and just manner.

Low-Carbon Buildings

Local governments need state support to increase the energy efficiency of municipal buildings, schools, and low-income housing. We advocate for increased funding for building electrification, weatherization, and retrofits. Funding should cover both electrification and essential health and safety upgrades, ensuring that aging infrastructure is modernized to meet current and future energy standards. We

recommend expanding the CSC and CEC programs to provide more grants and technical assistance for local governments working on building decarbonization projects.

Low-Carbon Industry

We support investment in industrial decarbonization through energy efficiency measures, electrification, and use of alternative fuels. Local governments in areas with significant industrial activity should have access to funding and resources to support businesses in making this transition. The state should also explore partnerships with industry to advance innovations that can be scaled.

Agriculture and Forestry

New York's agricultural sector is a major economic driver and plays a critical role in carbon sequestration. Protecting farmland from development pressures is essential as solar and wind energy projects expand across the state. We strongly advocate for incentives to install renewable energy infrastructure on non-agricultural lands, such as rooftops, parking lots, and brownfields, to protect valuable farmland from being repurposed for energy generation. When agricultural land is used for renewable energy, dual-use strategies like agrivoltaics should be explored to maintain agricultural production alongside energy generation.

Investment in forestry and conservation projects, including afforestation, reforestation, urban forestry, and soil health initiatives, are also important. These efforts provide carbon sequestration benefits while helping to preserve open spaces and enhance community resilience. We also recommend funding for programs that help farmers adopt advanced soil and nutrient management practices.

Waste Management and Landfill Capacity

New York State's waste management sector is facing significant challenges, including an impending landfill capacity crisis. NYSDEC's 2023-32 Solid Waste Management Plan projects that municipal solid waste landfills will reach capacity within the next 16 years. NYCI funds should be used to plan for future landfill capacity and increase waste diversion. Local governments require more technical and financial assistance to develop robust waste reduction and recycling programs, including organics recycling, that divert waste from landfills.

Significant investments are also needed in infrastructure improvements and contaminant monitoring and remediation. NYCI funds should be used to expand the Municipal Waste Reduction and Recycling (MWR&R) Program and incentivize local governments to invest in innovative technologies, such as those used in Europe to repurpose municipal solid waste into fiber and other bioproducts.

Workforce Development and Just Transition

A successful clean energy transition requires a skilled workforce. We support NYSERDA's emphasis on workforce development, particularly for workers transitioning from fossil fuel industries to clean energy jobs. This should include robust training programs in DACs, with wrap-around services to ensure workers have access to

necessary resources like childcare and transportation. Counties and municipalities can play a key role in facilitating these efforts by working with educational institutions and workforce boards to develop training programs tailored to local industries. We also support using regional clean energy hubs to provide technical assistance, resources, and training for workers.

Conclusion

Thank you for the opportunity to provide feedback on the NYCI investment framework and partner with New York State to ensure that proceeds are used effectively to meet state and local climate goals. By incorporating local government perspectives, protecting farmland, and equitably distributing resources, NYCI can drive meaningful progress across the state. We also urge increased support for local capacity-building programs, such as Climate Smart Communities and Clean Energy Communities, to empower municipalities to lead climate action at the local level.

We appreciate your consideration of these comments and look forward to continued collaboration.